



Volkswagen Settlement

Funding Opportunities From the Draft Beneficiary Environmental Mitigation Plan

New Hampshire Department of Environmental Services

Timothy White, Mobile Sources Section Supervisor

Rebecca Ohler, Administrator, Technical Services Bureau



Agenda

- Volkswagen violations
- Overview of Appendix D: State Mitigation Trust Fund
- NH's Draft Beneficiary Mitigation Plan

Overview of the VW Violations



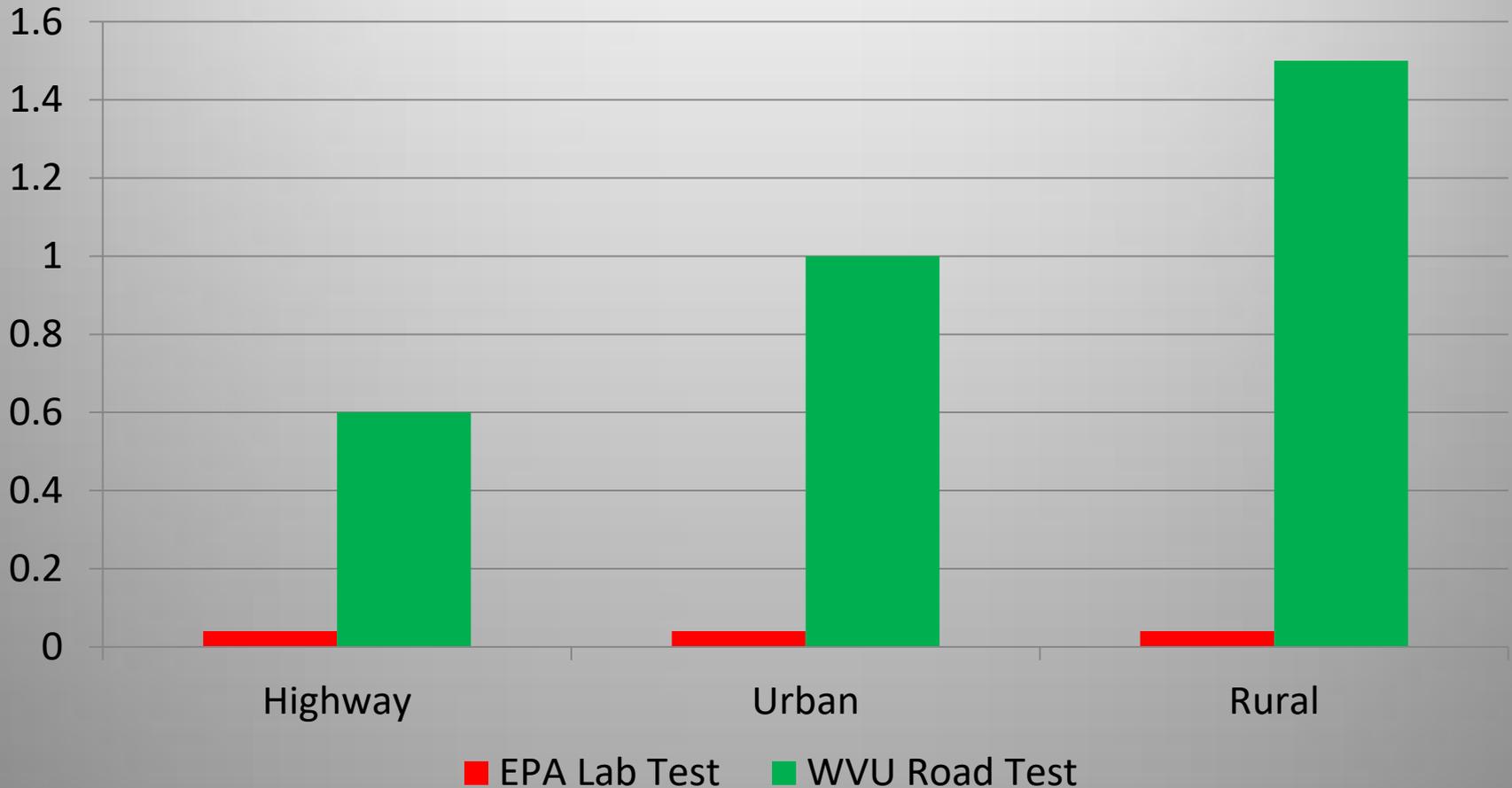
- Approx. 580,000 2.0/3.0 liter VW, Audi, Porsche vehicles nationwide
- ECM computer algorithms – emission controls turned off during normal operation
- Nitrogen Oxide (NOx) emissions in excess of EPA standards

How They Were Discovered



How Bad Is It?

(NOx Emission levels in grams/kilometer*)



*Based on 2011 VW Jetta Test Results

Terms of the Settlement

The settlement consists of three major components:

- Appendices A & B - buyback or emissions modification on at least 85 percent of the subject vehicles
- Appendix C - Invest \$2 billion to promote the use of zero emission vehicles and infrastructure (Electrify America)
- **Appendix D - \$2.7 billion to fully remediate the excess NOx emissions from the subject vehicles**
 - NH's allocation - \$30.9 million – only 1/3 available each of next two years

Allowed expenditure of Trust funds

- Beneficiaries may only use their allocation of Trust funds for project categories listed in Appendix D, but are not required to fund any particular category of project.
- Must follow minimum cost-sharing guidelines
- Projects otherwise required by state or federal law are not eligible for Trust funds

Eligible Mitigation Projects

1. Class 8 (>33,000 lbs) Local Freight Trucks and Port Drayage Trucks

- Engine MY 1992-2009 – replace or repower
- Match: 75% non-gov't, 0% gov't

2. School, Shuttle and Transit Buses

- Engine MY 2009 or older Class 4-8
- Match: 60% non-gov't, 0% gov't

3. Freight Switchers

4. Ferries and Tugs

Eligible Mitigation Projects – cont.

5. Ocean Going Vessels Shorepower System

6. Class 4-7 (14,000 – 33,000 lbs) Local Freight Trucks

- Engine MY 1992-2009 – replace or repower
- Match: 75% non-gov't, 0% gov't

7. Airport Ground Support Equipment

- Tier 0, Tier 1 or Tier 2 diesel or spark-ignition – replace or repower with electric
- Match: 25% non-gov't, 0% gov't

8. Forklifts and Port Cargo Handling Equipment

Eligible Mitigation Projects – cont.

9. Light Duty Zero Emission Vehicle Supply Equipment

- Level 1, level 2 or fast charging electric vehicle supply equipment located in public place, workplace or multi-unit dwelling
- Light duty hydrogen fuel cell vehicle supply equipment
- Match: 0 to 40% for EV charging depending on location

10. Diesel Emission Reduction Act

- Can be used for any DERA-eligible project
- Includes construction and other non-road diesel equipment

DERA Option Categories

- **Idle reduction technology (trucks, locomotives)**
- **Alternative fuel conversions**
- **Low rolling resistance tires**
- **Remanufacture of locomotive engines**
- **Marine engine replacement**
- **Truck stop electrification**
- **Non-road diesel equipment – construction, agriculture, etc**

NH's for Use of the Funds

- Invest in state and municipal fleets
- Require match for all projects
- Invest in electric vehicle charging stations
- Target communities with the highest exposure
- Ensure all areas of the State share in the benefits

Proposed Expenditures

Public/Government Vehicles and Equipment

50 percent (\$15.5 million) - replace state and municipal vehicles and equipment under categories 1, 2, 6, and 10 in previous slide. (60% municipal/40% state)

Electric Vehicle Supply Equipment

15 percent (\$4.6 million) - acquisition, installation, operation and maintenance of electric vehicle charging stations

Competitive Project Solicitation

20 percent (\$6.2 million) - available to all entities, public and private, through a competitive solicitation for projects in categories 1, 2, 6, 7 and 10 as outlined in the prior slide.

Administration Costs

15 percent (No more than \$4.6 million) - utilized for administrative costs –with unused funds being added to the competitive project solicitation.

Application Process & Requirements

- Simple application process – anyone can do it
- Clear rules and requirements
- Multiple funding rounds
 - One or two a year?
 - Timing to coincide with local processes?
- Minimum project size?
- Rebate program instead of grant agreement?

Project Evaluation

- All project proposal scores will be made public
- Project Selection Criteria currently used in DERA
 - Emissions reductions (tons/lifetime of NO_x, PM, GHG)
 - Cost Effectiveness (\$/ton reduced)
 - Proximity to populated areas, sensitive receptors
 - Percent of time operated in-state
 - Ancillary benefits – savings to taxpayers; water quality benefits; etc.
 - Prior project experience
- Other potential selection criteria:
 - Proximity to low income communities?
 - Amount of match provided?
 - Other?

Timeline

- April 11th – release of Draft Mitigation Plan
- Public informational meetings held
- June 5th 2018 - Public comment period ends
- June/July Final Mitigation Plan developed and submitted to Trustee
- Submittal +30 days - NH is eligible to submit funding requests



Comments

Written comments to:

vwsettlement@osi.nh.gov

New Hampshire Office of Strategic Initiatives
VW webpage:

<https://www.nh.gov/osi/energy/programs/vw-settlement.htm>